

APPEAL

**U.S. Bankruptcy Court
Western District of Texas (Waco)
Adversary Proceeding #: 20-06093-rbk**

Assigned to: Bankruptcy Judge Ronald B King

Date Filed: 08/24/20

Lead BK Case: 18-60526

Lead BK Title: Little River Healthcare Holdings, LLC, et al

Lead BK Chapter: 7

Demand:

Nature[s] of Suit: 02 Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy)
14 Recovery of money/property – other
81 Subordination of claim or interest
91 Declaratory judgment

Respondent

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V.

Defendant

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Filing Date	#	Docket Text
01/02/2024	<u>380</u>	Order Denying Defendants Motion to Stay Trial Setting (related document(s): <u>376</u> United's Motion to Stay Trial Setting Defendants United HealthCare of Texas, Inc, United Healthcare Benefits of Texas, Inc., United Healthcare Community Plan of Texas, L.L.C., UnitedHealthcare Insurance Company. (related document(s): <u>356</u> Order Regarding (related document(s): <u>341</u> Motion For Leave to File Third Amended Complaint and To Withdraw And/Or Strike Jury Demand Filed Plaintiff James Studensky. (Order entered on 12/13/2023) (Order entered on 1/2/2024) (Hardage, Bridget)



The relief described hereinbelow is SO ORDERED.

Signed January 02, 2024.


Ronald B. King

Ronald B. King
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

IN RE:

**LITTLE RIVER HEALTHCARE
HOLDINGS, LLC, ET AL.,**

DEBTOR.

JAMES STUDENSKY, CHAPTER 7 TRUSTEE,

PLAINTIFF,

V.

**UNITED HEALTHCARE INSURANCE COMPANY,
ET AL.,**

DEFENDANTS.

CASE No. 18-60526-RBK

CHAPTER 7

ADVERSARY No. 20-06093-RBK

ORDER DENYING DEFENDANTS' MOTION TO STAY TRIAL SETTING

The Court considered *United's Motion to Stay Trial Setting* (ECF No. 376) ("**Motion**"), filed by UnitedHealthcare Insurance Company ("**United**"), and finds that there is good cause to deny the Motion.

The United States District Court is the statutory court that has original and exclusive jurisdiction of all cases under Title 11 of the United States Code. 28 U.S.C. §1334(a). Pursuant to 28 U.S.C. §157, the district court has referred this case and this adversary proceeding to this court to resolve its issues, in the event that this court has the power to do so. The only question currently pending is whether the live issues in this adversary proceeding entitle United to a trial by jury. While the parties have disputed the issue, the Court is of the opinion that the parties are entitled only to a bench trial.

United complains that no findings of fact or conclusions of law were entered by the Court in response to the *Motion for Leave to File Third Amended Complaint and to Withdraw And/or Strike Jury Demand* (ECF No. 341). The order is docketed at ECF No. 356. None were required. Fed. R. Bankr. P. 7052 incorporates Fed. R. Civ. P. 52 and requires findings of fact and conclusions of law by the court in connection with entry of judgment in an adversary proceeding. Fed. R. Civ. P. 52(a)(3) provides: "For a Motion. The court is not required to state findings or conclusions when ruling on a motion under Rule 12 or 56 or, unless these rules provide otherwise, on any other motion."

The entire track record in this 3 ½ year old adversary proceeding is one of delay. The usual time in bankruptcy court from the filing of an adversary proceeding to trial is about one year. Numerous dilatory motions have been filed and heard; scheduling orders and amended scheduling orders have been entered and repeatedly extended at the behest of the parties; and discovery

disputes have been filed on numerous occasions and the Court has patiently handled hearings on every single one. The Court has repeatedly admonished the parties that the pretrial discovery and preparation phase cannot continue indefinitely and that this Court has a duty to manage its docket and set hearings and trials expeditiously to reach a conclusion without undue expense and delay to the parties. A trial date some 3 1/2 years after the adversary proceeding was filed is neither speedy nor expeditious.

On the issue of the alleged right to jury trial on the part of United, the trustee was the party who made a jury demand. Other parties have the right to rely on that jury demand under Fed. R. Civ. P. 38 unless there is not a right to a jury trial, or subsequent events make it clear that there are no jury issues to be decided. See *Rachal v. Ingram Corp.*, 795 F.2d 1210, 1217 (5th Cir. 1986). It is the opinion of the Court that the claims allowance process allows the remaining live issues in this adversary proceeding to be determined in a bench trial.

If the U.S. District Court disagrees, this Court is not offended, and the District Court can withdraw the reference or grant the interlocutory appeal. Either way, if there is a right to a jury trial, the jury trial must be conducted by the District Court because the parties have not consented to a jury trial before the bankruptcy court. It is, therefore,

ORDERED that the *Motion to Stay Trial Setting* (ECF No. 376) is **DENIED**.

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